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C O N F I D E N T I A L SECTION 01 OF 02 JERUSALEM 002153

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NEA FOR FRONT OFFICE; NEA/IPA FOR
SHAMPAINE/BELGRADE/STEINGER; NSC FOR ABRAMS/WATERS;

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TAGS: [ECON](#) [EIND](#) [EINV](#) [PREL](#) [KWBG](#) [IS](#)

SUBJECT: TOURISM: PALESTINIAN EXPECTATIONS RISE, BUT TOUR
OPERATORS AWAIT TANGIBLE RESULTS

REF: TEL AVIV 2943

Classified By: Consul General Jake Walles, Reasons 1.4 (b) and (d).

¶1. (SBU) Summary. The Palestinian Authority (PA) and Israeli Ministers of Tourism met October 9 for the first time since cooperation was suspended after the March 2006 formation of a Hamas-led government. The ministers agreed to re-establish a joint committee and working-level technical committees. According to PA officials, the Israeli side made no commitments, but the general atmosphere of the meeting was very positive. Palestinian tour operators are pleased bilateral talks have resumed, but are anxious to see concrete improvements, particularly as the high tourist season approaches. Measures to improve access for buses and tour guides could provide immediate benefits for both sides. End summary.

Promising Resumption of Talks

¶2. (SBU) PA Minister of Tourism Khoulood Deibes met in Jerusalem October 9 with her Israeli counterpart, Yitzhak Aharonovich, and discussed shared efforts to promote tourism in the West Bank and Israel (reftel). The ministers agreed to re-establish a joint committee which will meet on a regular basis to discuss tourism issues.

¶3. (SBU) Ministry of Tourism (MOT) Director General Majed Ishak told EconSpecialist that Deibes asked Aharonovich to reduce obstacles to the movement of tourists to and from the West Bank. She asked for an increase in the number of permits allowing Palestinian tour guides to enter Israel and easier access for Arab-Israelis seeking to visit the West Bank. Ishak claimed the Israeli side made no commitment on any of the points raised by Deibes, but the general atmosphere of the meeting was very positive.

¶4. (C) Bethlehem Chamber of Commerce and Industry Chairman Samir Hazboun, following a private conversation with Deibes, confirmed to Econoff October 16 the re-activation of the joint committee as well as the formation of technical committees, one of which will concentrate on outreach to the international tourism market. According to Hazboun, there is agreement on coordinating participation in upcoming tourism exhibitions in Berlin and London. Hazboun said that both sides recognize the need for immediate improvements on access and movement to Christian holy sites given expectations that, in the next three months, the flow of tourists may rise to levels not seen since before September 2000.

15. (C) Hazboun said that the Palestinian tourism sector is upbeat about the meeting, despite the absence of any specific commitments on access and movement. He stressed that the resumption of talks provides hope that the Israelis are "at least reviewing" Palestinian tourism industry needs. He added that, with about 90 percent of all package tours entering Bethlehem arranged by Israeli companies, it is in Israel's self-interest to engage on these issues.

16. (C) Sami Abu-Dayyeh, CEO of Near East Tourist Agency, told Econoff October 17 that Israel could quickly implement measures easing access and movement restrictions to the benefit of both sides. Israeli restrictions on permits to allow West Bank tour guides into Israel -- only 40 have been issued, according to Abu-Dayyeh -- undermine efforts to attract greater numbers of Catholic tourists from Italy and Spain. Israeli military prohibitions on Israeli citizens traveling to Bethlehem, Abu-Dayyeh continued, often oblige tour companies to change drivers, tour guides, and/or buses at the main checkpoint into the city, often increasing anxiety among the passengers about their own safety. Abu-Dayyeh claimed that, "depending on the mood of Israeli security personnel," his Jerusalem-based company's Israeli-licensed buses are sometimes allowed to enter Bethlehem after a quick on-board passport check. On other occasions, however, they are forced to disembark all passengers, who then must transit on foot through the checkpoint terminal. Easy access for tourist buses, through consistently applied procedures and a dedicated bus lane, he said, will increase the volume of tourists to the benefit of both Palestinian and Israeli companies.

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17. (C) Abu-Dayyeh hastened to add that the largest gains in the tourism sector will have to await significant progress on the political front. Investors, both local and foreign, are still reluctant to take on tourism sector projects in the current environment. Abu-Dayyeh said that, despite Israeli restrictions on building in East Jerusalem, four new hotels have been approved for construction, but not one has been able to attract the capital needed to start work.

WALLES